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June 12, 2007

APPLICATION

6490-67171

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: S Sand, Reservoir A
Lirette Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY ONSHORE, LLC** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **S Sand, Reservoir A**, in the **Lirette Field**, Terrebonne Parish, Louisiana, to-wit:

1. To redefine the S Sand, Reservoir A, previously defined in Office of Conservation Order No. 705-EE, effective January 6, 2004 as being that gas and condensate bearing sand encountered between the depths of 10,204 feet and 10,292 feet, electrical log measurements, in the Denbury Onshore, LLC – Delta Securities No. 1 Well, located in Section 24, Township 19 South, Range 19 East, Terrebonne Parish, Louisiana;
2. To confirm and continue in force and effect the exterior boundaries of the existing S RA SUA, created by Office of Conservation No. 705-EE, for this redefined interval;
3. To confirm and continue in force and effect all pertinent provisions of Office of Conservation Order No. 705-EE, except to the extent they are in conflict herewith; and

4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The S Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana was previously defined in Office of Conservation Order No. 705-EE, effective January 6, 2004, and is hereby redefined as provided in numbered paragraph 1 hereof.

The proposed redefinition would not change any owner's unit share of the existing unit. The proposed redefinition would add an additional four (4) feet on the top of the existing definition for the S Sand, Reservoir A, and would make no change to the base of the existing definition.

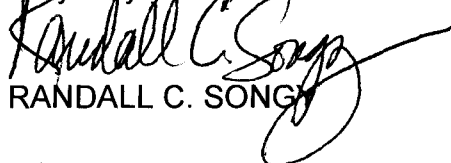
The pre-application conference tentatively scheduled for June 20, 2007, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, by contacting Holmes Smart, 200 Audubon Blvd., Lafayette, Louisiana, 70503, (337) 232-4031.

There is attached hereto and made a part hereof a plat reflecting the boundaries of S RA SUA, and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONG

RCS/jbs

Enclosures

cc: All Interested Owners, Interested Parties and
Represented Parties

Mr. Richard Hudson, District Manager
Office of Conservation

R 19 E

UNION PROD.
Delta Securities

9
14198'

20

19

18

UNION PROD.
Delta Securities

5
11414'

T
19
S

CONSOLIDATED GAS
Waterford

1
15484'

S RA SUA
± 65 ACRES

DENBURY
Exxon Fee

A-1
11150' MD
10604' VD

A-2 (OH)

11765' MD
11040' VD

1 (A-2) (ST)
11312' MD
11013' VD

Exxon Fee
Delta Securities

Fault

PENNZOIL
Delta Securities

8
12052'

EXXON
Exxon Fee

12
14250'

24

ORDER NO. 705-EE

25

EXHIBIT NO.
DOCKET NO.

DATE:

DENBURY ONSHORE, LLC

LIRETTE FIELD
TERREBONNE PARISH, LOUISIANA

ADOPTED UNIT
S SAND

0 1000' 2000'
GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887

FRANK W. HARRISON, JR.
CONSULTING GEOLOGIST - LAFAYETTE, LOUISIANA

EXHIBIT NO. 3

DOCKET NO. 04-2

BASIN GULF RESOURCES, L.L.C.

LIRETTE FIELD
TERREBONNE PARISH, LOUISIANA

PROPOSED UNIT
S SAND

Geology by: William S. McAllister, Jr.

0 1000' 2000'

DATE: 1-6-04

LEON E. COMEAUX & ASSOC. GEOLOGISTS